

ModernGraham Valuation

Company Name:

Masco Corp

Company Ticker MAS

Date of Analysis

1/16/2017



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,522,239,741	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.07	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-876.19%	Fail
6. Moderate PEmg Ratio	PEmg < 20	24.11	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-107.60	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.07	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.86	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.33
MG Growth Estimate	15.00%
MG Value	\$51.18
MG Value based on 3% Growth	\$19.28
MG Value based on 0% Growth	\$11.30
Market Implied Growth Rate	7.80%

MG Opinion

Current Price	\$32.05
% of Intrinsic Value	62.62%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.14
Graham Number	\$0.00
PEmg	24.11
Current Ratio	2.07
PB Ratio	-107.60
Current Dividend	\$0.47
Dividend Yield	1.47%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.49		\$1.33
Dec2015	\$1.02	Dec2015	\$0.98
Dec2014	\$2.38	Dec2014	\$0.52
Dec2013	\$0.80	Dec2013	-\$0.59
Dec2012	-\$0.33	Dec2012	-\$1.30
Dec2011	-\$1.66	Dec2011	-\$1.54
Dec2010	-\$3.00	Dec2010	-\$1.15
Dec2009	-\$0.53	Dec2009	\$0.04
Dec2008	-\$1.13	Dec2008	\$0.56
Dec2007	\$1.03	Dec2007	\$1.48
Dec2006	\$1.22	Dec2006	\$1.67
Dec2005	\$2.19	Dec2005	\$1.74
Dec2004	\$1.96	Dec2004	\$1.43
Dec2003	\$1.65	Dec2003	\$1.15
Dec2002	\$1.01	Dec2002	\$0.95
Dec2001	\$0.35	Dec2001	\$0.96
Dec2000	\$1.31	Dec2000	\$1.23
Dec1999	\$1.28	Balance Sheet Information 9/1/2016	
Dec1998	\$1.26	Total Current Assets	\$3,122,000,000
Dec1997	\$1.02	Total Current Liabilities	\$1,511,000,000
Dec1996	\$0.92	Long-Term Debt	\$2,993,000,000
		Total Assets	\$5,373,000,000
		Intangible Assets	\$996,000,000
		Total Liabilities	\$5,471,000,000
		Shares Outstanding (Diluted Average)	329,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

[Masco Corporation Analysis – September 2015 Update \\$MAS](#)

[Masco Corporation Annual Valuation – 2015 \\$MAS](#)

[14 Companies in the Spotlight This Week – 4/12/14](#)

[Masco Corporation \(MAS\) Annual Valuation – 2014](#)

Other
ModernGraham
posts about related
companies

[Quanta Services Inc Valuation – August 2016 \\$PWR](#)

[Jacobs Engineering Group Inc Valuation – August 2016 \\$JEC](#)

[PPG Industries Inc Valuation – August 2016 \\$PPG](#)

[D.R. Horton Inc Valuation – August 2016 \\$DHI](#)

[Martin Marietta Materials Inc Valuation – August 2016 \\$MLM](#)

[Fluor Corporation Valuation – August 2016 \\$FLR](#)

[Vulcan Materials Co Valuation – July 2016 \\$VMC](#)

[PulteGroup Inc Valuation – July 2016 \\$PHM](#)

[Sherwin-Williams Co Valuation – July 2016 \\$SHW](#)

[Cummins Inc Valuation – July 2016 \\$CMI](#)